

The Influence of Corporate Charismatic Leadership and Corporate Reputation on Customer Pride and Intention Word of Mouth Through Customer Value and Customer Trust

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Abstract: The purpose of this research is to find out the condition of the Word of Mouth Intention in PT. AL ATIIQ Mulia. The study population was 738 consumers of PT. AL ATIIQ Mulia Tourism participants of the Hajj and Umrah tour in 2018 in East Java. Using the Slovin formula with a tolerance of 5%, the number of samples was 260 respondents. Test the model with Generalized Least Square Estimation (GLS), structural equation modeling (SEM) analysis, proportional random sampling method and Amos 22 software assistance, on 260 respondents. The results showed that: 1). Corporate charismatic leadership does not have a significant effect on customer value. While corporate reputation has a significant effect on customer value. 2). Corporate charismatic leadership, and corporate reputation has an effect on customers. While customer value has no significant effect on customer trust. 3). Customer value and customer trust affect customer pride. 4). Customer value, customer trust, and customer pride have a significant effect on WOM intention. The results of this study are a significant contribution, especially in the theory of service marketing and marketing strategies. Given the large role of customer trust in consumer WOM Intention, it is recommended that companies always maintain and enhance PT. AL ATIIQ MuliaWisata, because trust has an important role in building relationships between consumers and companies..

Keywords: Corporate charismatic leadership, Corporate reputation, customer value, customer trust, customer pride, WOM Intention.

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I. Introduction

PT. AL ATIIQ MuliaWisata is one of the Hajj and Umrah pilgrimage travel service companies that are required to always develop their services. The phenomenon experienced by PT. AL ATIIQ Mulia Tourism in the last few years (2016-2018) has decreased, due to the number of Umrah worship bureaus who have done less commendable actions, and disappointed consumers. This also had an impact on PT. AL ATIIQ Mulia Travel. The existence of public concern over the dishonorable actions of some service bureaus, and also the intense competition in the services of the pilgrimage, needs to be anticipated and find an innovative strategy in the face of competition in order to increase the number of participants of the pilgrimage, which will later become loyal customers in the company and will an increase in revenue in the future that will be able to make the company grow, the relevant strategy used today is the WOM strategy because the level of confidence in making decisions about buying products and services comes from other consumer recommendations.

Hajj and Umrah pilgrimage packages are hospitality service businesses, thus the value for customers is the key to success in the service business. Value for customers can be realized through competent human resources to realize values in excellent service, and supported by adequate infrastructure or facilities. The combination of staff competence supported by good infrastructure or facilities is expected to be able to realize excellent service, namely services that are able to provide positive values, namely the creation of a good Hajj and Umrah travel program.

II. Literature Review And Hypotheses

Word-of-mouth Intention is the intention to communicate about a company's product or service, or about the company itself, in the form of comments about product performance, friendliness, honesty, speed of service and other things that are felt and experienced by someone delivered to others. The *delivered message* can take the form of messages that are positive or negative depending on what is felt by the message provider for the services he consumes. Word of mouth communication is still the most effective type of marketing activity in Indonesia. According to Brown et al. (2005), Word-of-mouth occurs when customers talk to others about their opinions about a particular brand, product, service or company to others. If the customer spreads his opinion about the goodness of the product, it is referred to as positive word-of-mouth, which in this paper is

called word-of-mouth performance. But if the customer disseminates his opinion about the vices of the product, it is referred to as negative word-of-mouth.

Positive word-of-mouth can mean when someone does business with a company and makes recommendations to others about the company (Brown et al., 2005). The previous study stated that positive word-of-mouth or word-of-mouth performance is nine times more effective and is a form of traditional advertising that can change one's displeasure or neutrality into a positive attitude towards a product / service.

2.1 Corporate charismatic leadership

Corporate charismatic leadership is leadership that embodies the atmosphere of motivation on the basis of commitment and emotional identity in the vision, philosophy, and charismatic style in subordinates (Ivancevich et al., 2007). Corporate charismatic leadership basically involves the process of influencing the attitudes, beliefs, behavior and feelings of the people they lead (Dubrin, 2015; Robbins, 2018).

2.2 Corporate Reputation

Corporate reputation is a perception of the company's past and future actions that illustrate the attractiveness of the company to all key constituents of the company. So it can be said that corporate reputation can increase customer loyalty and increase company growth and the company's long-term survival.

2.3 Customer value

Customer value is an emotional bond that exists between consumers as customers and PT. AL ATIIQ Mulia Wisata as a producer after the customer uses the products and services of the company and finds that the product or service adds value.

2.4 Customer Trust

Customer trust is consumer knowledge about an object, its attributes and benefits where the object can be a product, person, company, or anything to which a person has trust and attitude.

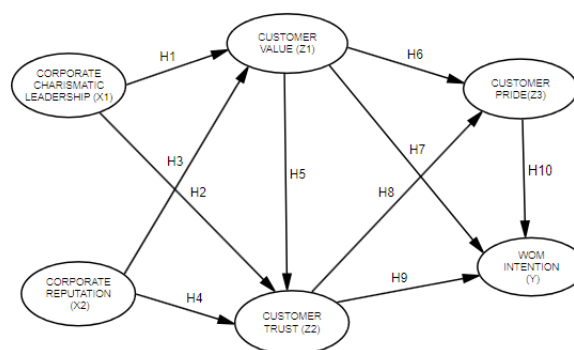
2.5 Customer pride

Customer pride is a pleasure that is felt by customers when utilizing a product that can provide an atmosphere of excitement.

2.6 Words of mouth Intentions

Words of mouth Intentions are incidents of intent to tell positive things about the company and the product to other parties.

2.7 Theoretical Framework



Figur 1:Conceptual Framework

The variables used were explained as Fig. 1 and each relationship of an independent variable with dependent variable represent hypothesis.

2.8 Research Hypotheses

The research hypothesis is as follows:

1. Corporate charismatic leadership has a significant effect on customer value on ALATIIQ consumers, Mulia Wisata in East Java.

2. Corporate charismatic leadership has a significant effect on customer trust in ALATIIQ consumers, Mulia Wisata in East Java.
3. Corporate reputation has a significant effect on customer value on ALATIIQ consumers, Mulia Wisata in East Java.
4. Corporate reputation has a significant effect on customer trust of ALATIIQ customers, Mulia Wisata in East Java.
5. Customer value has a significant effect on customer trust in ALATIIQ consumers, Mulia Wisata in East Java.
6. Customer value has a significant effect on customer pride on ALATIIQ consumers, Mulia Wisata in East Java.
7. Customer value has a significant effect on WOM Intention on ALATIIQ consumers, Mulia Wisata in East Java.
8. Customer trust has a significant effect on customer pride on ALATIIQ consumers, Mulia Wisata in East Java.
9. Customer trust has a significant effect on WOM Intention on ALATIIQ consumers, Mulia Wisata in East Java.
10. Customer pride has a significant effect on WOM Intention on ALATIIQ consumers, Mulia Wisata in East Java.

III. Research MethodesAndData Analysis

3.1 Research Subjects

The population of this study is the consumers of Hajj and Umrah tour PT. AL ATIIQ Mulia Tourism in East Java, who have attended 738 worship services at least once. Model testing was conducted using Generalized Least Square Estimation, structural equation modeling (SEM) analysis, with the help of Amos 22 software. Sampling with proportional methods random sampling, and the number of samples 260 respondents (slovin).

3.2 Research Measurement

The corporate charismatic leadership variable is operationally measured using 3 (three) indicators developed by Ivancevich et al. (2007) namely: cooperation, good relations and effective. The corporate reputation variable is operationally measured using 3 (three) indicators developed by Hawkins et al. (2007), namely: personality, reputation, and corporate identity. The customer value variable is operationally measured using 4 (four) indicators developed by Sweeney and Soutar (1999), namely: emotional value, social value, performance value, and value of money. Customer trust is operationally measured using 3 (three) indicators developed by Blanchard, Olmstead and Lawrence (2013), namely: able, believable, and dependable. The customer pride variable is operationally measured using 3 (three) indicators developed by Fazal (2013), namely: display of affiliation, customer acquisition, and brand loyalty. Variable words of mouth intentions, operationally measured using 3 (three) indicators developed by Brown et al. (2005) namely: the likelihood to generate word-of-mouth, the favorability of word-of-mouth generated, the likelihood to make purchase.

IV. Result And Discussion

4.1. Characteristics of Respondents

Characteristics of respondents based on: gender 49.2% male and 50.8% female, while the age group 26-35 years were 14.6% (38 respondents), age group 36-45 years were 33.8% (88 respondents), and the age group 46 - 65 years as many as 33.0% (86 respondents). Furthermore, based on the level of study the number of respondents who graduated from junior high was 41.9% (109 respondents), high schools were 32.7% (85 respondents), Bachelor was 25.4% (66 respondents).

4.2 Results Testing Instrument

The results of testing the validity showed significant for all indicators or the item in question, which means that the indicators or items of questions for each of the variables included in the questionnaire have been eligible validity. From the results of Pearson product moment correlation, it is known that all of the question items on the questionnaire correlated significantly to the error rate of 5% (** <0.05), so we can say all of the item in question is valid and can be processed further.

Reliability test results with test Cronbach alpha (α) in this study indicate that all variables of the study are reliable, since the entire value of the alpha coefficient of each variable larger study of standardized (0.6), so that each item question on measurement instruments can be used. The value of the corrected item total correlation of the entire item in question is greater than 0.3.

4.3 Confirmatory Factor Analysis

Results of confirmatory factor analysis of the measurement model of research based on the results of statistical tests, obtained value of the loading factor for each indicator forming study variables is greater than 3, therefore, all indicators of research variables are indicators that significantly shape each study variable.

Table 1: Confirmatory Factor Analysis

Research variables	Relationship	C. R.	Loading Factor (λ)	Probability
Corporate charismatic leadership	CHARISMATIC → Ccl1	-	0,601	0,000
	CHARISMATIC → Ccl2	6,057	0,533	0,000
	CHARISMATIC → Ccl3	5,411	0,829	0,000
Corporate reputation	REPUTATION → Ccr1	-	0,551	0,000
	REPUTATION → Ccr2	5,917	1,000	0,000
	REPUTATION → Ccr3	7,432	0,592	0,000
Customer Value	VALUE → Cv1	-	0,459	0,000
	VALUE → Cv2	4,035	0,308	0,000
	VALUE → Cv3	6,878	0,894	0,000
	VALUE → Cv4	6,909	0,894	0,000
Customer Trust	Trust → Ct1	-	0,684	0,000
	Trust → Ct2	6,524	0,378	0,000
	Trust → Ct3	6,883	0,995	0,000
Customer pride	PRIDE → Cp1	-	0,616	0,000
	PRIDE → Cp2	9,051	0,659	0,000
	PRIDE → Cp3	7,925	1,024	0,000
Words of mouth Intentions	WOM → wi1	-	1,063	0,000
	WOM → wi2	4,149	0,388	0,000
	WOM → wi3	5,770	0,567	0,000

4.3. Goodness of Fit Test

The results of data processing using a sample of 260 shows Chi-square is 211,716 with a probability of 0.068. Meanwhile, from GFI, AGFI, TLI, CFI, RMSEA and CMIN / DF respectively 0.927, 0.914, 0.965, 0.968, and 0.072 all within the range of acceptable values. The results are shown in Fig. 1.

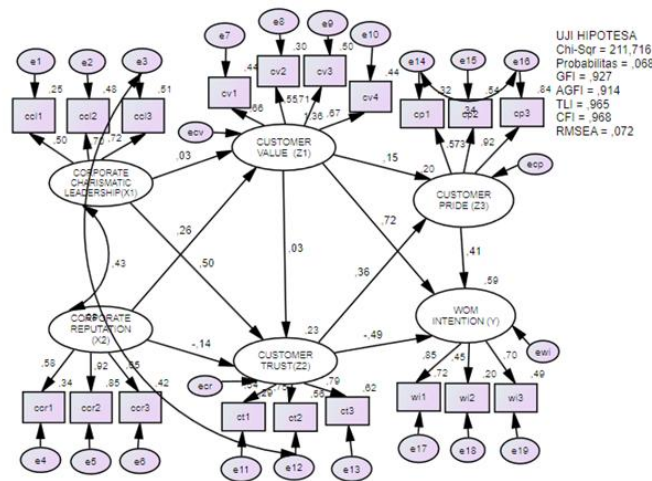


Figure 2: Coefficient of Research Model Path

4.5. Hypothesis testing

Hypothesis testing is done based on the estimated value of the parameters of the research model shown in Table 2.

Table 2: Hypothesis Testing

H	Relationship	Standardized Coefficient	C.R	P	Decision
H1	Charismatic→ Value	0,034	1,053	0,072	Reject
H2	Charismatic→Trust	0,496	2,916	0,004	accepted
H3	Reputation→ Value	0,259	3,223	0,001	accepted
H4	Reputation→Trust	0,138	2,224	0,021	accepted
H5	Value→ Trust	0,027	0,171	0,864	Reject
H6	Value→ Pride	0,148	2,820	0,019	accepted
H7	Value→WOM	0,717	5,230	0,000	accepted
H8	Trust→ Pride	0,358	3,413	0,000	accepted
H9	Trust→WOM	0,492	3,468	0,000	accepted
H10	Pride→WOM	0,408	3,985	0,000	accepted

V. Conclusions and Suggestions

This research has found that WOM Intention on ALATIIQ consumers, Mulia Wisata in East Java can be explained significantly by the variables of corporate charismatic leadership, corporate reputation, customer value, consumer trust, and customer pride. This finding can be an alternative way of managing corporate charismatic leadership, corporate reputation, customer value, customer trust, and customer pride in order to increase WOM intention.

From Table 2, it can be concluded that: 1). Corporate charismatic leadership has no significant effect on customer value. The results of this study differ from the findings of Vallaster, and Chernatony (2006), Syaifuddin, and Rizal (2018); 2). Corporate charismatic leadership influences customer. The results of the study are in accordance with the findings of Fathurrahim et al. (2018), Jin, and Yeo (2011); 3). Corporate reputation influences customer value. The results of the study are in accordance with the findings of Kircova, and Esen (2018), Yasin, and Bozbay (2011); 4). Corporate reputation influences customer trust. The results are in accordance with the findings of Cretu, and Brodie (2007), Imran Al (2018); 5). Customer value has no significant effect on customer trust. The results of the study are not in accordance with the findings of Wiwoho (2018); 6). Customer value affects customer pride. The results of the study are consistent with Panjaitan's findings, Komari (2018); 7). Customer value has a significant effect on WOM Intention. The results of the study are in accordance with the findings of Kuppelwiese et al. (2011); 8). Customer trust has a significant effect on customer pride. The results of the study are in accordance with the findings of Rizan et al. (2012), Muhamad et al. (2012); 9). Customer trust has a significant effect on WOM Intention. The results of the study are in accordance with the findings of Olaru et al. (2008), Wahyuningsih (2011); 10). Customer pride has a significant effect on WOM Intention. The results are in accordance with the findings of Zahid, and Ahmed (2017), Yue Liu (2017)

Of the three variables hypothesized to influence WOM Intention, the greatest value is the direct relationship between customer value and WOM Intention. This confirms that customer value is a trade off between customer perceptions of product benefits and sacrifices made through the prices paid by consumers. On the other hand, of the three variables hypothesized to influence customer trust, the greatest value is the direct relationship between corporate charismatic leadership and consumer trust. This also emphasizes the role of corporate charismatic leadership. Therefore, customer trust will rise by maintaining corporate charismatic leadership. Thus the charisma of the leadership should be maintained and if possible the charisma of the leader is improved, so that the consumer's WOM Intention will be maintained.

Researchers submit suggestions: so that companies always maintain and increase customer trust PT. AL ATIIQ Mulia Wisata, because trust has an important role in building relationships between consumers and companies. It is recommended that other researchers investigate further the influence of corporate charismatic leadership and corporate reputation on customer pride and word of mouth intention through customer value and customer trust by expanding the scope of the research area..

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